

25X1

CLASSIFICATION

SECRET

25X1

Approved For Release 2003/08/08 : CIA-RDP82-00457R001500020007-0

INFORMATION

COUNTRY

Austria/USSR

DATE DISTR. 27 April 1948

SUBJECT

New USIA Policy for Austrian Electrical Industry

NO. OF PAGES 2

PLACE
ACQUIRED

25X1

NO. OF ENCLS.
(LISTED BELOW)

25X1

DATE OF INFO

25X1

SUPPLEMENT TO
REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE ACT OF U.S.C. 31 AND 32 AS AMENDED. ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED. NO OTHER INFORMATION CONTAINED IN BODY OF THE FORM MAY BE UTILIZED AS DEEMED NECESSARY BY THE RECEIVING AGENCY.

THIS IS UNEVALUATED INFORMATION FOR THE RESEARCH
USE OF TRAINED INTELLIGENCE ANALYSTS

25X1

1. Immediate Sale of All Stored Electrical Equipment

Effective immediately, all electrical equipment stored in the Soviet-controlled Siemens plants is to be put on the market for whatever price it will bring. This order also applies to current production, which is to be turned over on the Austrian market as rapidly as possible. The only exception to these orders concerns articles which are manufactured exclusively for Soviet use.

Comment: Such as the generating equipment. Difficulties encountered in selling USIA-manufactured goods must be overcome by any means at hand. Reluctance on the part of Austrian customers to buy goods from USIA will be obviated by placing such goods in the hands of bona fide Austrian firms. To this end, all persons present at the meeting were enjoined to broaden their relationships with companies which might offer non-USIA-tainted outlets for USIA-manufactured products.

USIA had stockpiled approximately eight million schillings worth of electrical goods in the USIA Siemens factories, which it was saving either to export quickly to the USSR in the event of an Austrian State Treaty, or to dump on the Austrian market as a blow against the European Recovery Program, should the London Conference fail. Heretofore, when sales have been made, it has been for prices considerably in excess of legal Austrian ceilings. But despite the great need of Austrian consumers for electrical wares, these goods have not moved on the local markets, partly because of a silent boycott by buyers, but primarily because of growing cash shortages in Austria.)

As a further measure to support this new selling policy, Slavinsky directed that production and selling costs be recalculated. **Comment:** Sales personnel from the USIA-controlled factories point out that a review of costs and prices would be meaningless in the face of the irregular and irrational production methods employed by the Soviets.)

CLASSIFICATION

SECRET

STATE	NAVY	NSRB	DISTRIBUTION
ARMY	AIR		

Document No.

NO CHANGE in Class. ☐☐ DECLASSIFIED

Class. CHANGED TO: TS S

DDA Memo, 4 Apr 77

Auth: DDA REG Approved For Release 2003/08/08 : CIA-RDP82-00457R001500020007-0

Date: 1947 By:

REFERENCE CENTER LIBRARY

CONFIDENTIAL

Extracted by F.I.R.

CONFIDENTIAL
CENTRAL INTELLIGENCE AGENCY

-2-

2. Raw Material Difficulties.

Slavinsky stressed that everything possible must be done to alleviate the "catastrophic" shortage of raw materials, which, since the suspension of copper deliveries from Yugoslavia, threatens the entire future electrical production. He cited several examples of such shortages, mentioning specifically that only 35 kg of copper was on hand in the [] Ingertstrasse factory. He mentioned also that the Soviets were aware of a recent ordinance issued by the Austrian Government, according to which no more raw materials could be sold to USIA enterprises. On the basis of this order, Slavinsky said, Alpine-Montan had refused to deliver to USIA rolling mills the iron ingots needed for the production of sheet metal, unless USIA provided scrap metal in compensation. Because this sheet metal is indispensable in electrical manufacture, and despite the fact that scrap is considered by USIA as vital war material (Kriegswichtiges Material), scrap from the bombed portions of the Ingertstrasse plant will be supplied to Alpine, but in the smallest possible quantities.

3. Schmidhuetten Krens:

Slavinsky stated incidentally that work has been halted on the Martin furnace being built at the Schmidhuetten Krens. In this connection, he emphasized that, on an order from Moscow, the Soviets in Austria have discontinued all investments which concern installations not readily transportable. In the future, only such construction and repair work will be undertaken as pertains to machines and equipment which can be moved fairly easily.

SECRET

CONFIDENTIAL